

**ND-1FA****Calculation of tax under 3-year averaging
method for elected farm income****2006***Attach to Form ND-1***Please type or print in black or blue ink. Enter one letter or number in each box.**

Your name as shown on Form ND-1

Your social security number

▶ See instructions to this schedule to see if you are eligible to use it

US Dollars

1. North Dakota taxable income from Form ND-1, line 16 ----- 1

2. Elected farm income from your 2006 Schedule J (Form 1040), line 2. If this amount includes a net long-term capital gain, see instructions. **Do not enter more than the amount on line 1** ----- 2

3. Subtract line 2 from line 1 ----- 3

4. Tax on the amount on line 3 from Tax Table on page 18 of 2006 Form ND-1 instructions ----- 4

5. If you used Schedule ND-1FA to figure your tax for:

- 2005, enter amount from your 2005 Schedule ND-1FA, line 11.
- 2004 but not 2005, enter amount from your 2004 Schedule ND-1FA, line 15.
- 2003 but not 2004 nor 2005, enter amount from your 2003 Schedule ND-1FA, line 3.

Otherwise, enter amount from 2003 Form ND-1, line 14, **OR** from 2003 Form ND-2, Tax Computation Schedule, line 1.*If line 5 is zero or less,
see instructions.*

5

6. Divide the amount on **line 2** by **3.0** ----- 67. Add lines 5 and 6. *If less than zero, enter zero* ----- 7

8. If you used Form ND-1 for 2003, figure the tax on the amount on line 7 using the 2003 Form ND-1 Tax Rate Schedules on page 2 of the instructions. Otherwise, use the Form ND-2 Tax Rate Schedule on page 1 of the instructions ----- 8

9. If you used Schedule ND-1FA to figure your tax for:

- 2005, enter amount from your 2005 Schedule ND-1FA, line 15.
- 2004 but not 2005, enter amount from your 2004 Schedule ND-1FA, line 3.

Otherwise, enter amount from 2004 Form ND-1, line 14, **OR** from 2004 Form ND-2, Tax Computation Schedule, line 1.*If line 9 is zero or less,
see instructions.*

9

10. Enter amount from line 6 ----- 10

11. Add lines 9 and 10. *If less than zero, enter negative number* ----- 11

12. If you used Form ND-1 for 2004, figure the tax on the amount on line 11 using the 2004 Form ND-1 Tax Rate Schedules on page 2 of the instructions. Otherwise, use the Form ND-2 Tax Rate Schedule on page 1 of the instructions ----- 12

13. If you used Schedule ND-1FA to calculate your tax for 2005, enter the amount from 2005 Schedule ND-1FA, line 3. Otherwise, enter amount from 2005 Form ND-1, line 16, **OR** from 2005 Form ND-2, Tax Computation Schedule, line 1 ----- 13*If line 13 is zero or less,
see instructions.*

14. Enter amount from line 6 ----- 14

15. Add lines 13 and 14. *If less than zero, enter negative number* ----- 15

16. If you used Form ND-1 for 2005, figure the tax on the amount on line 15 using the 2005 Form ND-1 Tax Rate Schedules on page 2 of the instructions. Otherwise, use the Form ND-2 Tax Rate Schedule on page 1 of the instructions ----- 16

17. Add lines 4, 8, 12 and 16. Enter this amount on page 2, line 18, of this schedule ----- 17



18. Enter the amount from page 1, line 17 ----- 18

19. If you used Schedule ND-1FA to figure your tax for:

- 2005, enter amount from your 2005 Schedule ND-1FA, line 12.
- 2004 but not 2005, enter amount from your 2004 Schedule ND-1FA, line 16.
- 2003 but not 2004 nor 2005, enter amount from your 2003 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2003 Form ND-1, line 15 (if full-year resident) or Schedule ND-1NR, line 21 (if full-year nonresident or part-year resident) **OR** from 2003 Form ND-2, Tax Computation Schedule, line 2.

19

20. If you used Schedule ND-1FA to figure your tax for:

- 2005, enter amount from your 2005 Schedule ND-1FA, line 16.
- 2004 but not 2005, enter amount from your 2004 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2004 Form ND-1, line 15 (if full-year resident) or Schedule ND-1NR, line 21 (if full-year nonresident or part-year resident) **OR** from 2004 Form ND-2, Tax Computation Schedule, line 2.

20

21. If you used Schedule ND-1FA to figure your tax for 2005, enter amount from 2005 Schedule ND-1FA, line 4. Otherwise, enter amount from 2005 Form ND-1, line 17 (if full-year resident) or Schedule ND-1NR, line 19 (if full-year nonresident or part-year resident) **OR** from 2005 Form ND-2, Tax Computation Schedule, line 2. ----- 21

21

22. Add lines 19, 20, and 21 ----- 22

23. Subtract line 22 from line 18. Enter result on your return as follows:

- If you (and your spouse, if filing jointly) were full-year residents, enter the amount from this line on Form ND-1, line 17.
- If you are required to use Schedule ND-1NR, enter the amount from this line on Schedule ND-1NR, line 20.

(F1) 23

► **Caution:** If you (and your spouse, if filing jointly) are full-year residents, the tax on line 23 above may be higher than the tax calculated without the use of this schedule. Attach this schedule to your Form ND-1 only if you are choosing to pay the tax calculated on it.

If you are required to use Schedule ND-1NR, the tax on line 23 above is not your actual tax liability. You must enter the tax from line 23 of this schedule on Schedule ND-1NR, line 20, and complete the remainder of Schedule ND-1NR to calculate your actual tax liability. Please note that the tax calculated based on the use of Schedule ND-1FA may be higher than the tax calculated without it. Attach this schedule to your Form ND-1 only if you are choosing to pay the tax based on its use.